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SUBJECT: LITHUANIA PLEASED WITH ENERGY TALK AT LAHTI SUMMIT

Classified By: Pol/Econ Chief Rebecca Dunham for reasons 1.4 (b) and (d)
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11. (C) Summary. President Adamkus's silence at the October 20 EU-Putin dinner notwithstanding, Lithuania was pleased that EU leaders reached a stronger consensus on external energy policy. Lithuanian officials believe that Putin's comments on Georgia may help them build sympathy for the Georgian side among their European partners. End Summary.

Lithuanians pleased overall with Lahti energy talk

12. (C) Political Director Zygimantis Pavilionis traveled to Lahti with President Adamkus and debriefed us October 24. The good news, he said, was that all EU leaders agreed that the EU should push Russia to sign the Energy Charter, increase transparency in the energy sector, and allow mutual investment in the Russian and European energy sectors. Still, he said that he was not as upbeat as others, and expressed frustration with the Finnish presidency in particular, and called Germany, France and Italy too conciliatory. The question, he said, was if the line would hold through negotiations on the new Russia-EU Partnership and Cooperation Agreement (PCA) negotiations and the (troika format) November 24 EU-Russia Summit.

Engaging the Commission

13. (C) Pavilionis was optimistic about receiving continued political support from the EU Commission, saying that Barroso was the strongest voice on energy policy at the Putin dinner. The Lithuanians had (wrongly) assumed a letter of support to Adamkus and Polish President Kaczynski from Barroso had been an attempt to discharge the energy issue quietly, so they were surprised at the strength of Barroso's comments at Lahti. They were pleased that Barroso spoke not only about general energy concerns but in particular about Russia's closure, ostensibly for repairs, of the pipeline serving Lithuania's Maziekių Nafta refinery.

Crossing the Finnish line

14. (C) The Finnish Presidency was a problem, said Pavilionis. Lithuanian officials earlier expressed frustration at Finnish efforts to restrain Lithuania's expression of its views to Russia, denying Adamkus's request to speak and not incorporating his points elsewhere. He said Halonen was "dead silent" on energy and Georgia at the summit, although she told the Lithuanians that she discussed Maziekių Nafta with Putin on the 100 km ride from the airport to Lahti. He also complained that the Finnish press statement on the summit with Putin was "romantic" about EU-Russia relations,

neglecting the many troubling current issues.

15. (C) Finnish Ambassador Timo Lahelma told us October 23 that Pavilionis had lobbied him hard to let Adamkus make a statement about Mazeikiu Nafta at the Lahti dinner. He said the Presidency had already told the Lithuanian Ambassador in Helsinki "no," and that it was unusual for the Lithuanians to re-approach the question through a different channel. Lahelma said the Presidency had decided that Adamkus could not raise Maziekiui Nafta because it was a bilateral issue. They gave other leaders the chance to raise multilateral issues to which Russia was sensitive, he said, mentioning Poland's statement on Georgia. He added that the Lithuanians were also miffed that the Finns wouldn't give them another seat at the dinner for PM Kirkilas.

Lithuania: We told you so.

16. (C) Putin's comments at Lahti were intransigent and may actually help Lithuania garner support for its positions in the EU, according to Pavilionis. (Pavilionis's impression is second hand, as President Adamkus was the only Lithuanian at the dinner.) Putin completely rejected criticism that Russia's energy policy was unreliable or nontransparent. He irritated Adamkus by saying that Russia does the Baltic states the favor of selling them cheap gas because they need time to develop.

17. (C) Putin's comments on Georgia were a shock to Adamkus, he said, and probably decreased sympathy for Russia's case among EU leaders. Putin thrice mentioned imminent bloodshed in Georgia as though it were unavoidable. Pavilionis said that he thought Putin's comments may have been a mistake that

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will play into Lithuania's ambitions to build EU support for Georgia. But he also feared they could have the opposite effect -- of scaring EU capitals away from supporting Georgia. Lithuania will try to exploit Putin's comments to turn on the EU's "soft tools." Pavilionis said that Lithuania would encourage redoubled technical assistance programs to customs and police services in Georgia in the October 24 Political and Security Committee.

Lithuania: Kosovo independence may hurt Georgia

18. (C) Pavilionis suggested that the international community should "go slower" towards Kosovo's independence, as Russia is not bluffing about using any move towards independence for Kosovo as rationalization for its actions in Georgia's frozen conflicts. Prolonging a forced settlement on Kosovo, he said, could help "Georgia survive a cold winter."

Moldova

19. (C) According to Pavilionis, the EU-25 also discussed support for an international (rather than Russian) peacekeeping force in Moldova, along the lines of the recent Belgian OSCE papers. The problem lies with the Germans, he said, saying that German Political Director Michael Scheffer had personally supported the Belgian proposals but had been overruled. Pavilionis claimed that President Voronin had serious talks with Putin and felt that support from the EU was lacking. He said that Putin was offering a free trade arrangement that included allowing the import of Moldavian wine, in exchange for reorientation towards Russia and the undermining of GUAM.

Lithuania selling ENP

¶10. (C) Following the summit Pavilionis traveled to France October 23-24 to sell ENP (a deeper neighborhood policy focused on eastern neighbors), about which the Lithuanians delivered long non-papers to all EU members states this summer. The French are open to the idea as a "substitute" for membership ambitions. The Lithuanians don't want ENP to substitute for the open-doors policy, but are willing to have France buy into it that way in the meantime. Pavilionis told us France was concerned that ENP would damage their Mediterranean policy.

French "stuck on Georgia"

¶11. (C) Pavilionis said that the French were upset that Georgia had provoked Russia only days after NATO took the decision on Intensified Dialogue. They are "stuck on Georgia," he said, and don't want Georgia on the NATO agenda for Riga. The French were nevertheless positive about increased Technical Assistance to Georgia in the framework of the EU Action Plan, although he found dispiriting the French Political Director's conclusion that "Abkhazia is lost."

Comment

¶12. (C) Following the frustration over the Finns' refusal to let Adamkus read his prepared statement at the Lahti dinner, Lithuanian officials and press were pleasantly surprised that Barroso and other leaders borrowed from Lithuania's talking points on energy and specifically raised Mazeikiu Nafta. They are hopeful that Putin's comments will consolidate skepticism of Russia's reliability, rather than reinforce the need to placate their large neighbor.
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